

- 14 -

**THE CLAIMS:**

1. A method of providing incentives for customers to purchase goods or services from amongst a network of vendors including the step of providing a customer with a reward whenever the customer meets a reward criteria of a rewarding vendor, wherein the said  
5 reward is redeemable by a redeeming vendor in the network when the customer meets a redemption criteria of the said redeeming vendor, whereby, the redemption of the reward results in the redeeming vendor providing the customer with a further reward.
2. A method as claimed in claim 1 wherein the reward criteria includes the customer  
10 having to purchase goods or services from the rewarding vendor in the network.
3. A method as claimed in any one of the preceding claims wherein the reward criteria includes the customer having to present a membership card to the rewarding vendor.
- 15 4. A method as claimed in any one of the preceding claims wherein the reward includes a redeemable credit, said credit being redeemable for a discount on the cost of goods or services provided by the redeeming vendor.
5. A method as claimed in claim 4 wherein the credit is redeemable only at specified  
20 redeeming vendors in the network.
6. A method as claimed in either one of claims 4 or 5 wherein the credit is redeemable within a specified time period.
- 25 7. A method as claimed in claim 6 wherein the specified time period is dependant upon the value of a purchase by a customer in order to obtain the credit.

- 15 -

8. A method as claimed in any one of claims 3 to 7 wherein a customer is provided with an offer of a discount on goods or services from vendors in the network in exchange for the purchase of a membership card.
- 5 9. A method as claimed in the claim 8 wherein the offer is provided in the form of a coupon.
10. A method as claimed in claim 9 wherein the coupon is offered to the customer via an electronic medium.
- 10 11. A method as claimed in claim 10 wherein the electronic medium is the Internet.
12. A method as claimed in any one of claims 3 to 11 wherein the membership card is a smart card.
- 15 13. A method as claimed in claim 12 wherein information is recorded on the smart card including the identity of the customer and the number of redeemable credit available to the customer at any given time.
- 20 14. A method as claimed in claim 13 wherein the information on the smart card is updated whenever the customer makes a purchase or redeems credit.
15. A method as claimed in any one of the preceding claims wherein the redemption criteria includes the customer having to redeem credit.
- 25 16. A method as claimed in claim 15 wherein the redemption criteria includes the customer having to redeem credit in full.

- 16-

17. A method as claimed in any one of the preceding claims wherein the redemption criteria includes the customer having to purchase a good or service from the redeeming vendor.

5 18. A method as claimed in any one of the preceding claims including the step of providing an information directory, said information directory including details of the reward criteria, redemption criteria and the nature and availability of goods or services provided by each vendor in the network.

10 19. A method as claimed in claim 18 wherein the information directory is accessible electronically via the Internet using a World Wide Web browser.

20. A method as claimed in any one of claims 18 to 19 wherein the information directory is updated periodically.

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21. A method as claimed in any one of the preceding claims wherein the vendors in the network mutually agree as to the value of any rewards offered to, and/or reward criteria that must be met by the customer.

20 22. A method as claimed in any one of the preceding claims wherein each vendor in the network is both a redeeming vendor and a rewarding vendor.

23. A method as claimed in any one of the preceding claims wherein the network of vendors is established by selecting prospective vendors which meet a selection criteria.

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24. A method as claimed in any one of the preceding claims wherein the selection criteria includes the location, and nature of goods or services sold by the prospective vendor.

- 17-

25. A method as claimed in any one of the preceding claims wherein vendors in the network are issued with a vendor membership card.